

ASSOCIATE SUPERINTENDENT APPROVAL:

Roberta S. Alley

STATE BOARD MEETING DATE: October 24, 2011

SUBJECT: Approval to Increase the GED State Administration Fee

SUBMITTED BY: Karen Liersch, Deputy Associate Superintendent, Adult Education Services

MANAGEMENT TEAM REVIEW:

BACKGROUND INFORMATION:

1. ARS 15-702 authorizes the State Board of Education and the Superintendent of Public Instruction to award an Arizona High School Equivalency Diploma to any candidate, 16 years of age or older, who successfully completes the General Educational Development Test. Annually, the Arizona GED Testing Program tests approximately 20,000 candidates. Of these, the 15,000 candidates who successfully complete this test represent 20% of Arizona's high school diploma recipients. Since the inception of this state program in 1947, over 800,000 GED candidates have successfully earned their Arizona diploma.
2. The effort to accomplish this service is shared between the Arizona Department of Education and over 40 GED testing centers across the state. A GED candidate pays the testing center a testing fee when he/she registers to take the test.
3. In addition to the test proctoring activities conducted at the local testing center, the state GED office performs functions necessary to administer the state program, including: candidate registration, scanning and scoring of tests, issuance of diplomas, special-needs accommodations, training and technical assistance to GED examiners, monitoring testing centers, fraud and security-breach investigations, maintenance of data warehouse of records, issuance of duplicate transcripts on request and public information. Historically, state money earmarked for adult education instruction offset the costs to the state of performing these functions. (The U.S. Department of Education prohibits the use of federal monies to cover any GED Testing costs.)
4. In 2005, ARS 15-702 was amended to permit the State Board of Education to collect a fee from each GED candidate to cover those costs to the state associated with administering the state GED Testing Program. In 2006, the State Board approved changes to R7-2-307, setting the ceiling for this fee at \$20. At the beginning of the following GED calendar year, January 2007, the state GED office set the state administration fee at \$15, an amount which partially covered its costs and reduced the amount of state adult education money used for this purpose.
5. In 2009, the state funding for adult education was eliminated, forcing the state GED Office to increase the state administration fee to the current \$20 per candidate ceiling.
6. In May, 2011, an RFP for test scoring and data management services was conducted. The only respondent was the current vendor, who tripled the price for such services effective September 12, 2011. This increase raised the net expenses per candidate to \$28.89.
7. As there is no other source of funding to support the state GED Testing Program, and in order to continue to operate without interruption, the State Board is requested to increase the fee ceiling for the State Administration fee from \$20 to \$40 effective November 1, 2011. With this approval, the state GED office would raise the fee charged to \$30 per candidate effective November 1, 2011.

BOARD ACTION REQUESTED: [] INFORMATION [X] ACTION/DESCRIBED BELOW

Close the Rulemaking Record and adopt amendments to Board Rule R7-2-307 to increase the ceiling set for the state administration fee for the Arizona GED Testing Program.

ATTACHMENTS: YES [X] NO []

GED State Administration Expense Distribution

Current:

	Annual Expense
Scanning and scoring, diplomas (NRSPRO.com)	\$127,975.55
Printing, Postage & Supplies (AE internal cost)	\$6,668.60
Technical Assistance (Client Services & GED Unit cost)	\$176,037.26
Fiscal Accounting	\$5,956.83
Administrative Oversight	\$12,128.29
Training*	\$20,000.00
Total Current Expenses	\$348,766.53

Effective 9/12/11:

	Annual Expense
Scanning and scoring, diplomas (NRSPRO.com)	\$278,034.12
Printing, Postage & Supplies (AE internal cost)	\$6,668.60
Technical Assistance (Client Services & GED Unit cost)	\$176,037.26
Fiscal Accounting	\$5,956.83
Administrative Oversight	\$12,128.29
Training*	\$20,000.00
Total Effective 9/12/11 Expenses	\$498,825.10